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TAGS: PREL PGOV NP CH

SUBJECT: PRC/NEPAL: MFA OFFICIAL DOES NOT DENY THAT PRC IS

PRESSURING NEPAL'S KING TO SEEK RECONCILIATION

REF: A. KATHMANDU 585

1B. KATHMANDU 568
1C. BEIJING 2778

Classified By: Political External Unit Chief Edgard Kagan. Reasons 1.4 (b/d)

- 11. (C) MFA Director for India, Nepal, Sri Lanka and Bhutan Huang Xilian did not deny that Beijing is pressuring King Gyanendra to seek reconciliation with Nepal's political parties. In a March 2 meeting, Huang stressed that the PRC is reaching out to all the "constitutional forces" in Nepal, including the King, to encourage them to make the compromises necessary to improve stability and address the Maoist threat. Poloffs raised speculation that Beijing has distanced itself from the King in recent weeks and that the King's recent steps show that he is feeling pressure. In response to the suggestion that this may be indicative of PRC efforts, Huang smiled and expressed gratitude for the positive view of PRC efforts in Nepal. He quickly added that Beijing will maintain a friendly policy toward Nepal "no matter what happens." The recent steps taken by the King are a move in the right direction, according to Huang, who emphasized the importance of a peaceful and stable Nepal. Beijing will continue to remain in contact with the political parties as well as the King in Nepal.
- 12. (C) Noting that the PRC is interested in a dialogue on South Asia, Huang stressed that Nepal should be an important topic for such discussions. Huang added that he is ready to exchange views on Nepal anytime and believes these exchanges help both sides better understand the issue.
- 13. (C) The current round of China-Nepal border talks (March 1-3) are going smoothly and both sides are satisfied with the progress that is being made, according to MFA officer Li Jian. Li pointed out that the MFA's Office of Treaty and Laws is responsible for conducting the border talks. Sedney